

30 July 1974

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Mr. Howard Shantz of GAO, 29 July 1974

Mr. Howard Shantz is part of a GAO team looking into US trade and trade control policy in relation to the Communist countries. He had called U/TD on 26 July for information on two cases of possible diversions of computers from Eastern European countries (Czechoslovakia and Poland) to the USSR. These cases had been referred to in IR 74-2, Soviet Economic and Technological Benefits from Detente, one of the papers in the package of OER papers passed to GAO through the AD/DDI at the request of the DCI. I had told Mr. Shantz that we had passed the information on these two cases to the Director of the Office of Export Control in a memorandum dated 3 July 1973. The AD/DDI had authorized me to make this memorandum available to Mr. Shantz to read, but with the proviso that no notes be taken. Mr. Shantz came to the Agency on 29 July for that purpose, but it seemed he already knew all the information contained in the memorandum. He talked to [REDACTED] and I about diversion cases and end use/end user checks, but we had no information or ideas to contribute to his rather thorough knowledge of these subjects other than to provide the point that these checks were better than no checks. His conclusion that these checks are worthless seems already set. He freely admitted that he thought State and Commerce were stalling him on these cases, and he seemed to think they probably would succeed because of his limited time to work on his report.

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OER/U/TD: [REDACTED] mgn/ [REDACTED] (29 Jul 74)

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